March 20, 2014

Ms. Amy Barker Fishlake National Forest Beaver Ranger District 575 S. Main Beaver, Utah 84713 RECEIVED
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DIV. OF OIL, GAS & MINING

Re: Response to Comments for Western Pacific Resource Corporation Plan of Operation for the Deer Trail Underground Exploration Mine Submittal

Dear Ms. Barker:

Western Pacific Resources Corporation (WPRC) received your comments, dated March 7, 2014. On behalf of WPRC, Tetra Tech Inc., (Tetra Tech) provides the following response to comments in italicized wording. The comments have been incorporated into a revised Plan of Operation for the Deer Trail Underground Exploration Mine (as attached).

- 1. General —The acronym UDOGM refers to Utah Division of Oil, Gas and Mining. Change noted and incorporated.
- Section 1.3 Operation Status A statement regarding the expired POO submitted to the FS should be included.

Incorporated language for the expiration of 2 years after it was signed on 9/7/2000. As per VII TERMS AND CONDITIONS – Section F. of the Deer Trail Mine Plan of Operations (No. 040803971B) signed 9/7/2000 the plan was approved for a period of 2 years or until Dec. 31, 2000.

- Section 1.6 Proposed Timing Reclamation/Stabilization and 1.7 Completion of Reclamation Activities —
  These sections appear to be in conflict related to timing of reclamation efforts.
  Section 1.6 discusses the commencement or initiation of reclamation activities, and section 1.7 is discussing the schedule for the completion of reclamation activities. Reclamation is proposed to begin during the fall of 2018 and finish in the spring of 2019.
- 4. Section 4.1 Project Access Include FS Road #2361. It is a road that is currently used.

  The FS Road has been included in the PoO as a NFS road that is currently used for accessing the Mine.
- 5. Section 4.2 Project Location —This section should include a legal description of where the exact surface work will occur.
  - A legal description has been incorporated into Section 4.2.
- 6. Section 4.3 Project Description —The discussion of waste rock pile sampling and acid rock drainage would more appropriately be placed in Section 5.0 Environmental Protection Measures. Perhaps it could be placed in Section 5.2 Water or a new section 5.9 could be made.

The section presenting the waste rock information and analysis has been relocated to "Section 5.2 Water".

"The existing disturbance acreage within the project area is 3.1 acres. The existing waste rock facility covers approximately four acres of that disturbance." (Top of page 12) What does this mean? Briefly mention underground exploratory drilling.

This has been clarified and new language incorporated. The existing waste rock facility actually covers 4 acres, of which 3.1 acres are where activities are proposed in the Plan of Operation. Underground exploratory drilling has been incorporated.

Where is the water tank located?

The water tank is located near the building structures of the covered mine portal and the storage supply buildings, within the Project area. Text has been added to the Plan of Operation.

"The PTH Tunnel facility has no identified surface water features, including seeps/springs or wetlands." This sentence would be more appropriately located in Section 5.2 Water.

The sentence has been relocated.

7. Section 4.4 Equipment and Vehicles — Except for the front-end loader, we have been able to "figure out" what the equipment and vehicles will be used for. We are assuming that the front end loader will move waste rock and ore from temporary above ground storage piles to the dump truck or waste rock spoil pile. If true, where will the above ground temporary storage piles be located? The temporary stockpiles will be located just east of the motor barn area at the end of the ore car rail system.

Chemicals used and associated maximum quantities need to be identified.

The proposed chemicals and quantities have been incorporated into Section 4.4 of the document. Chemicals on USFS land within the permit area:

- Up to 24 cans of environmentally safe surveyor paint;
- Up to 1 gallon dilute (10%) HCL (hydrochloric acid), marked as such, used for geologic logging and rock identification;
- Up to 100 gallons of environmentally safe drilling fluids, mainly vegetable oil;
- Up to 5 gallons of environmentally safe rock oil;
- Up to 1 gallon standard oil for lubrication of the rock/core cutting saw; and,
- Standard household cleaning products including less than 1 gallon each of the following: Toilet cleanser, counter-top cleaner, hand sanitizer, window cleaner, hand soap, methyl alcohol, saline eye-wash, and iodine in the first aid kit.
- 8. Section 4.5 Structures What would be the size of the temporary holding bins for scrap metal and where would they be located?

The scrap metal bins obtained will be in a range of sizes from 3 feet by 3 feet by 3 feet up to 7 feet by 4 feet by 4 feet, which will be determined once exploration commences. One will be located near the covered mine portal, and another one will be located at the mill facility outside the project area.

Should "Cover mine portal" be Covered mine portal? The language has been revised.

- Section 5.0 ENVIRONMENTAL PROTECTION MEASURES —This section should also describe anticipated effects to the environment and "protection measures which will be adopted..." Additional language has been incorporated.
- 10. Section 5.3 Solid Waste —"Burial and/or burning of trash or other debris will not be authorized without specific permits from USFS or other agencies." If possible, just delete this sentence. If not possible, then burial and/or burning of trash should be included in discussion of proposed operation.

  The sentence has been deleted.

11. Section 5.4 Scenic Values — "Re-contour and reclaim the area to blend into the landscape." Is this being proposed before reclamation activities are undertaken? It is a good idea but if so it should be briefly mentioned in the proposed operation.

The statement has been clarified. This activity will occur during reclamation once the operation

has been completed.

- 12. Section 5.6 Cultural Resources —43 CFR 10.4 (d) (2) states "Resumption of activity. The activity that resulted in the inadvertent discovery may resume thirty (30) days after certification by the notified Federal agency of receipt of the written confirmation of notification of inadvertent discovery. The wording in the P00 should be consistent with this.

  The language has been added to Section 5.6.
- 13. Section 5.5 Fish and Wildlife —"No process ponds are proposed within the project area..." None are mentioned in the proposed operation section so we recommend not bringing it up here. One could ask then if some are proposed outside of the project area.

  This portion of the sentence has been removed.
- 14. Section 5.8 Reclamation How will topsoil piles be stabilized to prevent loss of the topsoil? What measures will be taken and what is meant by "where practicable?" Measures should be identified so the mgmt. agencies know what to expect and you will know what is required.

The topsoil stockpiles have been in place since 2007 and are stabilized partly through vegetation establishment. There is no plan to stockpile more topsoil. The term "where practicable" has been removed. There is no additional surface disturbance proposed. The reclamation activities are outlined in Section 5.8.

"Forest Roads will remain in place, but be returned to pre-operating conditions or as directed by the Forest Service, Figure 4. Roads used for the exploration operation are pre-existing." Road improvement should be identified in the proposed operation section. If none are proposed than WPRC has no commitment to return to pre-operating conditions and no associated bond.

Language has been added.

Location(s) of existing topsoil stockpiles should be mapped and quantities available estimated.

The existing topsoil stockpiles are located outside the project area at the Upper Mine Area. There is an estimated 30,000 cubic yards of material available for reclamation purposes. Language has been added.

15. Section 6.0 BONDING - The FS and Utah DOGM both have administrative oversight responsibilities related to the Deer Trail Mine. For portions of the project located on National Forest System (NFS) Lands, the Forest Service has the lead agency role and Utah DOGM is a cooperating agency. The opposite is true for projects on private land. The FS and Utah DOGM apparently cooperated in the past by allowing DOGM to hold the bond for the entire Deer Trail project. So references to bond calculations and approvals require cooperation between the two agencies.

Language has been included.

If you have any questions please contact Eric Saderholm at (775) 777-7570 or (775) 397-0287, or Stephanie Hallinan with Tetra Tech at (775) 753-4299.

Best regards,

Eric Saderholm VP Exploration

Western Pacific Resources Corporation

cc: R. Hamilton (USFS - Fishlake National Forest)

L. Kunzler (UDOGM) V

S. Hallinan (Tetra Tech)

# PLAN OF OPERATIONS FOR THE DEER TRAIL UNDERGROUND EXPLORATION MINE

#### Submitted to:

#### **United States Department of Agriculture Forest Service**

Fishlake National Forest Beaver Ranger District 115 East 900 North Richfield, Utah 84701 Phone (435)896-9233

#### Prepared for:

#### **Western Pacific Resources Corporation**

2785 Jennings Way Elko, Nevada 89801 Phone (775) 753-1005 Fax (775) 777-7571

#### Prepared by:



555 5th Street Elko, Nevada 89801 Phone (775) 753-4299 Fax (775) 738-4401

Tetra Tech Project No. 114-300675

RECEIVED

MAR 3 1 2014

DIV. OF OIL, GAS & MINING

March 18, 2014

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#### INTRODUCTION

Western Pacific Resources Corporation (WPRC) is submitting this Underground Exploration Plan of Operations (Plan) to the United States Forest Service (USFS), Fishlake National Forest Beaver Ranger District (BRD) to propose the continuation of exploration activities for the underground mine development program, referred to as the underground Deer Trail Mine (DTM). The exploration plan replaces the previous plan submitted to the Utah Division of Oil, Gas, and Minerals (UDOGM), and the USFS in September 2000. The DTM is located in Piute County, central Utah, approximately 5 miles south-southwest of Marysvale, Utah (Figure 1). The underground exploration project (project area) consists of an existing underground facility (3.1 acres) and is located on National Forest System lands (Figure 2).

The Plan outlines the continued activities for underground exploration operations at the DTM. Existing National Forest Roads will be used to access the site and no new buildings or additional processing facilities are proposed within the project area. There is no new disturbance associated with the proposed underground exploration.

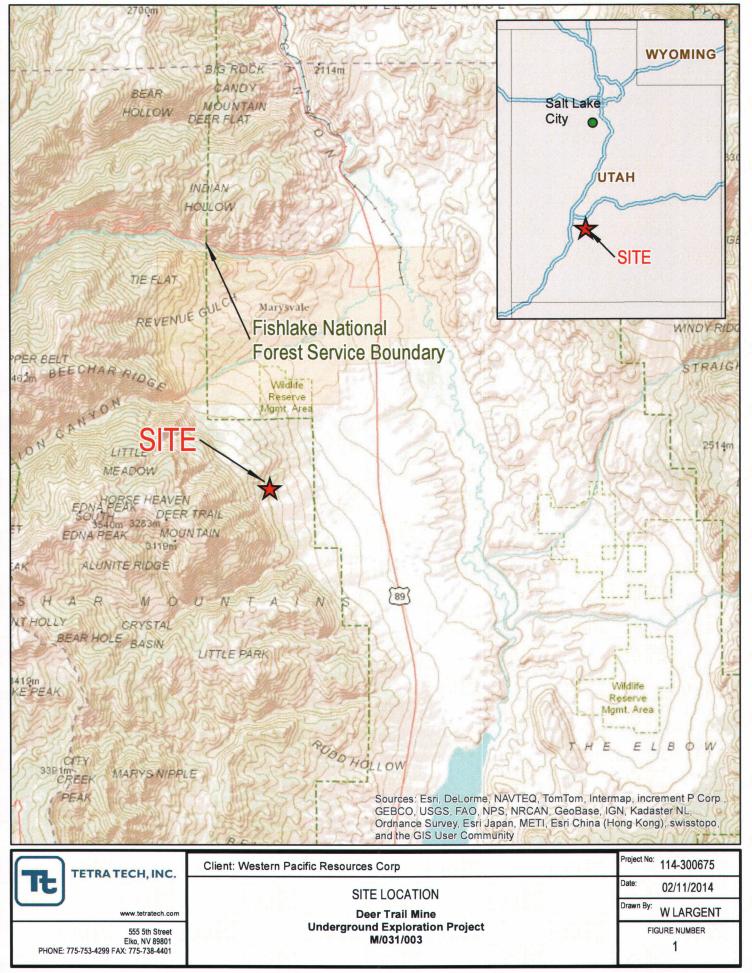
#### **Background**

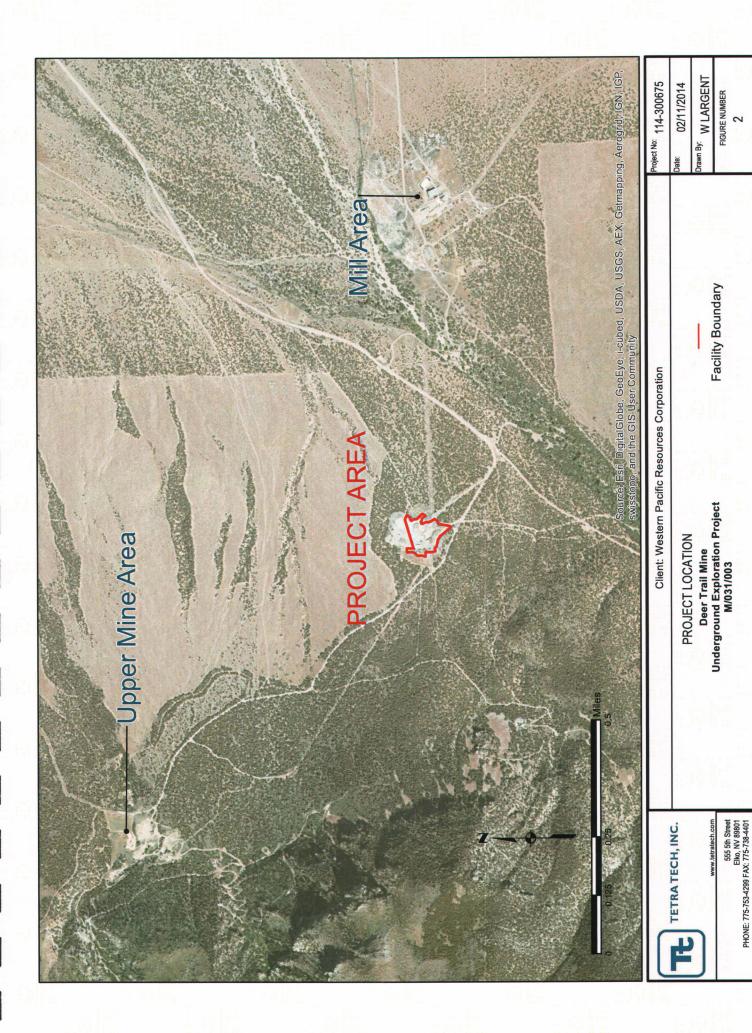
The DTM mining claims date back to 1870, and the mining has been mostly continuous from the early 1900's until 1981. In 2013, WRPC obtained 100 percent ownership of the mine holdings from Unico, Inc. The DTM has been in operation with different owners during the mine life.

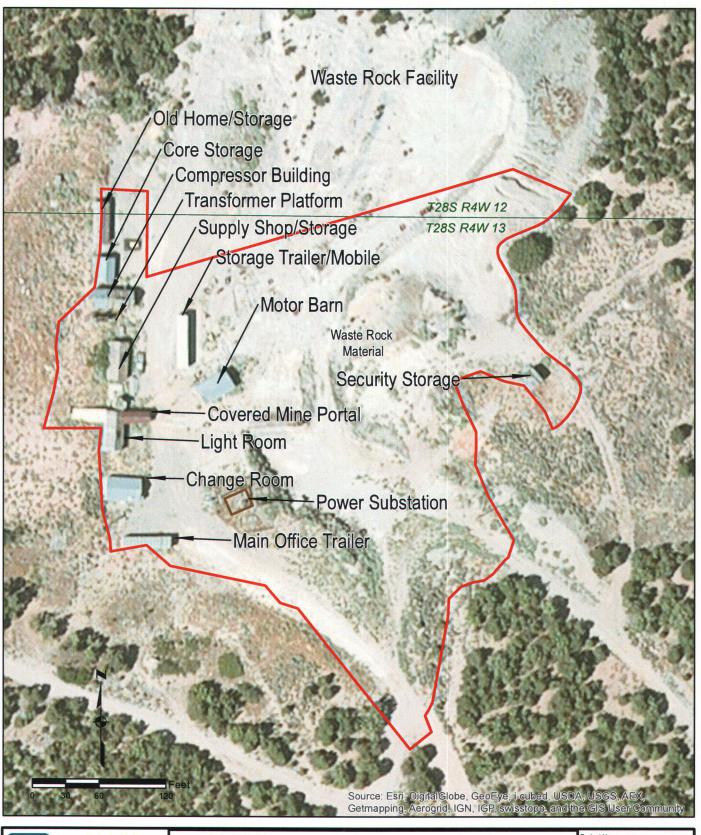
Operations outside the project area, include Tunnels No. 2 and No. 3 within the "upper mine area" located approximately two miles to northwest of the PTH Tunnel. A gravel pit and small screening plant are located near Tunnels No. 2 and No. 3, and these areas are located on property controlled by WPRC. The processing facility associated with the previously approved DTM is located approximately one mile east of the project area, on private land.

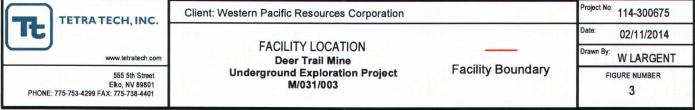
The exploration project area includes the PTH tunnel which is referred to as the "lower Deer Trail Mine," associated buildings, and portions of the waste rock facility. Existing buildings as shown on Figure 3, include a core shed building, dry change area, storage for equipment, small maintenance shop, and office trailer space. The project area is located on mining claims managed by WPRC.

The PTH tunnel has been developed as an underground mine, with the processing area located approximately one mile east of the project area, on private land. Past mining methods included typical underground techniques where ore and waste rock was drilled, blasted, loaded, and hauled to either the processing building (private land) or waste rock facility. Underground access is via the PTH Tunnel (Lower Deer Trail Mine) and via the existing Tunnel No. 2 and Tunnel No. 3. The processing area consists of a floatation mill, crusher and conveyor system for ore recovery. The ore consists primarily of gold, silver, lead, and zinc recovered from polymetallic mantos and veins. All areas are accessed by private and Forest Roads.









#### 1.0 PROJECT INFORMATION

The plan proposes for WPRC to continue exploration at the existing Deer Trail Mine, an underground mine operation in Piute County, Utah.

#### 1.1 Project Name

The project name is the Deer Trail Mine, and is located within the Fishlake National Forest Beaver Ranger District, Piute County, Utah.

#### 1.2 Type of Operation

The proposed plan includes underground exploration with potential mineral extraction, and hauling of material, as warranted.

#### 1.3 Operation Status

The project is a continuing exploration operation from a previously approved plan in April 2005, from the State of Utah Department of Natural Resources, Division of Oil, Gas and Mining, file number M10311003. The proposed plan replaces the previously approved plan (No. 040803971B), which expired with the USFS on September 7, 2002. The property was placed into care and maintenance in 2008. WPRC obtained the property in February 2013 from Unico, Inc.

#### 1.4 Proposed Start-Up Date of Operation

WPRC anticipates project re-start to begin in the spring of 2014.

#### 1.5 Project Duration

The project duration is anticipated to continue through fall 2018, and may continue beyond that, dependent upon results from exploration activities, ore resource, and reserves.

#### 1.6 Proposed Timing Reclamation/Stabilization

Reclamation activities will commence once active mining is completed. The anticipated reclamation schedule will begin during fall 2018 in areas where activities are no longer being conducted. The proposed project is not anticipated to be seasonal and therefore seasonal stabilization will not be necessary.

#### 1.7 Completion of Reclamation Activities

Once the waste rock facility and buildings are no longer needed, additional reclamation activities will be initiated. Stockpiled cover material will be placed on the disturbed areas, graded, and seeded. The tunnel adit will be secured. Deer Trail Mine estimates reclamation will be completed in spring 2019.

#### 2.0 CORPORATE INFORMATION

#### 2.1 Operator Information

The Deer Trail Mine is owned by Western Pacific Resources Corporation, whose contact information is as follows:

Mr. Mike Callahan President Western Pacific Resources Corporation 1450-701 W Georgia Street Vancouver, BC, Canada V7Y 1G5 Phone: (604) 692-2891 Fax: (604) 692-2801

Mr. Eric Saderholm VP Exploration Western Pacific Resources Corporation 1450-701 W Georgia Street Vancouver, BC, Canada V7Y 1G5 Phone: (604) 692-2891 Fax: (604) 692-2801

#### Nevada office location:

Western Pacific Resources Corporation 2785 Jennings Way Elko, Nevada 89801 Phone: (775) 397-0287 Fax: (604) 692-2801

#### 2.2 Authorized Representative

The authorized representative(s) for this plan is as follows:

Mr. Eric Saderholm VP Exploration Western Pacific Resources Corporation 1450-701 W Georgia Street Vancouver, BC, Canada V7Y 1G5 Phone: (604) 397-0287

#### 2.3 Claimant Information

The following is the claim information specific to the plan.

Claimant Name: Western Pacific Resources (US) Corp Mailing Address: 1450-701 West Georgia Street, Vancouver BC, V7Y 1G5 Phone Number (Office, Cell, and Fax) 1-604-692-2891 Serial Number of unpatented mining claim(s): 95750, 95751, 95731, 95697, 95600, 95610, 95635, 95701, 95714, 95726, 95752, and 95753.

Primary Commodity (e.g. gold, silver, copper, etc.): gold, silver, lead, and zinc Claim Name(s): See Section 3.0 list Claim Type (Lode, Mill Site, Placer, etc.): Lode

### 2.4 Contact Information of any other lessees, assigns, agents and their involvement with the operation, if applicable:

There are no additional companies or individuals involved with the operation.

#### 3.0 PROPERTY CLAIM LIST

The names of the WPRC Deer Trail Mine mining claims are listed below in Table 1.

Table 1: Claim List - Deer Trail Mine

| MC#   | Name              | Section    | Township | Range  |
|-------|-------------------|------------|----------|--------|
| 95750 | Portal No. 1      | SE 1/4, 12 | 28 South | 4 West |
| 95751 | Portal No. 2      | NE 1/4, 13 | 28 South | 4 West |
| 93731 | Portar No. 2      | SE 1/4, 12 | 28 South | 4 West |
| 95731 | Red Knoll         | NE 1/4, 13 | 28 South | 4 West |
| 95751 | Red Kiloli        | SE 1/4, 12 | 28 South | 4 West |
| 95697 | Gorge             | NE 1/4, 13 | 28 South | 4 West |
| 95610 | Crest             | SE 1/4, 12 | 28 South | 4 West |
| 93010 | Crest             | SW 1/4, 12 | 28 South | 4 West |
| 95600 | Cliff No. 1       | SW 1/4, 12 | 28 South | 4 West |
| 95714 | Lower Contact     | SW 1/4, 12 | 28 South | 4 West |
| 95752 | Slope No. 1       | SW 1/4, 12 | 28 South | 4 West |
| 95753 | Slope No. 2       | SW 1/4, 12 | 28 South | 4 West |
| 95755 | Slope No. 2       | NW 1/4, 12 | 28 South | 4 West |
| 95701 | Hidden Treasure   | SW 1/4, 12 | 28 South | 4 West |
| 95701 | Amended           | SE 1/4, 11 | 28 South | 4 West |
| 95635 | Deer Trail No. 42 | SE 1/4, 12 | 28 South | 4 West |
| 93033 | Deer ITall No. 42 | SW 1/4, 11 | 28 South | 4 West |
| 95726 | Mountain Chief    | SW 1/4, 12 | 28 South | 4 West |
| 95726 | Amended           | NW 1/4, 12 | 28 South | 4 West |

#### 4.0 OPERATION DESCRIPTION

#### 4.1 Project Access

The project is located in Piute County, Utah, approximately 5 miles south-southwest from Marysvale, Utah or 165 miles south-southwest from Salt Lake City, Utah (Figure 1). Driving directions are as follows: take Interstate 70 to State Route (SR) 89 south to Marysvale, continue south for a few miles past Marysvale to Forest Road 125 (Cottonwood Road) west of SR 89. The Deer Trail Mine access is approximately two miles along Cottonwood Road. The operation will use portions of National Forest System Roads 125, 126, and 2361. The roads currently require no additional construction or improvement. The National Forest System Roads are open to the general public.

#### 4.2 Project Location

The Deer Trail Mine is situated at approximately 6,900 feet elevation among pinyon pine/juniper ecosystem (Figure 2). The Project is located in the SW¼ of the SE¼, Section 12, T28S, R4W and the NW¼ of the NE¼, Section 13, T28S, R4W. The nearest weather station is at 5,360 feet elevation at Little Green Valley area, and has recorded data since 1995 (Wunderground, 2013). Access to the project area is through existing roads. There are no new roads proposed for this activity.

#### 4.3 Project Description

WPRC proposes to continue underground exploration mining activities at the existing portals. No new road construction will be necessary. The exploration operation will be conducted underground via the PTH Tunnel. The underground activities will be completed using underground portable core drilling equipment. The equipment will include portable compressors or generators, portable drills and associated electrical cables necessary to power the equipment. The PTH Tunnel has historically been "dry" when in operation. There is no free flowing water present in the tunnel and no surface or ground water exits the PTH tunnel. The exploration activities will require water for underground drilling. There is no existing water well source within the project area. The water will be supplied from the private mill site area, under WPRC water rights. During drilling activities, water will be hauled weekly by water truck, to the existing tank located in the project area, near the covered mine portal and storage supply buildings. Existing piping from the water tank into the mine will transfer the water to the underground drilling operations. A smaller water tank at the PTH Tunnel area will provide source water needed for everyday activities. However, bottled water will be supplied to workers for consumption. The underground exploration operations are considered "zero" discharge activities because all the water will be used.

Ore and waste will be brought to the surface from the PTH portal. The waste will be disposed on either the existing waste rock facility or hauled to the mill area on WPRC's patented lands. The ore material extracted for exploration will be stored as core material and/or shipped to a laboratory facility for analytical testing. All material removal from the PTH Tunnel, will be transported via the existing rail system to the surface. The temporary stockpiles will be located just east of the motor barn area at the end of the ore car rail system. The exploration plan calls for advancement into waste rock, with the focus on identifying and maximizing ore extraction. WPRC estimates up to 7,000 tons of waste material will be extracted and added to either the existing waste rock facility or hauled to the mill area. The existing waste rock facility

covers approximately four acres, and of that, 3.1 acres of the disturbed ground will be used for the underground operation.

There are no new roads proposed with this project. Any improvements to the roads consist of re-grading, filling, and potentially widening where needed. At the permanent closure of the operations, only the portions of the roads that were widened will be pulled back and those widened sections will be roughed with a track hoe and broadcast seeded.

#### 4.4 Equipment and Vehicles

The equipment to be used is listed in Table 2. Additional equipment and vehicles may be used as deemed necessary. The equipment used during the underground exploration activities will be kept in good operating condition and meet the State of Utah emission requirements. There will be daily trips to and from the overall site using light duty trucks. Equipment maintenance will be conducted at the existing machine shop area. All chemicals used and temporarily stored on site will have a Material Safety Data Sheet (MSDS) on file and WPRC employees and contractors will be trained on proper handling of each chemical. All containers and/or drums will be properly labeled and stored either in an appropriate cabinet, secondary containment, or inside a building. The following is a proposed list and quantity of chemicals which may be used during the underground exploration activities.

- Up to 24 cans of environmentally safe surveyor paint;
- Up to 1 gallon dilute (10%) HCL (hydrochloric acid), labeled as such, used for geologic logging and rock identification;
- Up to 100 gallons of environmentally safe drilling fluids, typically vegetable oil based products;
- Up to 5 gallons of environmentally safe rock oil;
- Up to 1 gallon standard oil for lubrication of the rock/core cutting saw; and,
- Standard janitorial cleaning products including less than 1 gallon each of the following: Toilet cleanser, counter-top cleaner, hand sanitizer, window cleaner, hand soap, methyl alcohol, saline eye-wash, and iodine in the first aid kit.

All spills will be duly reported and cleaned up using appropriate materials as recommended from the MSDS for that product. Disposal of contaminated materials will be in accordance with local, state, and federal regulations. There are no fueling facilities at the project area. When necessary, equipment will be fueled at the mill facility, where diesel and unleaded tanks are located on secondary containment.

Table 2: Equipment List

| Equipment Type           | Number |
|--------------------------|--------|
| 3,500 gallon Water Truck | 1      |
| 10-wheeled Dump Truck    | 2      |
| Front-End Loader         | 2      |
| Diesel Compressor        | 2      |
| Mine Rail Car            | 15     |
| Tram Motor               | 3      |
| 4WD Vehicles             | 2      |
| Total                    | 27     |

#### 4.5 Structures

The existing structures and locations are identified on Figure 3. There are no permanent structures or buildings proposed for construction. However, where necessary, existing structures will be upgraded and power re-instated to meet operational, health, and safety requirements. WPRC may use temporary holding bins for scrap metal, until such time that operations are concluded or the material is sold for salvage. A scrap metal bin will be located on the current plan property with a second one located at the mill area. The scrap metal bins to be used may come in a range of sizes, dependent upon the selected supplier. WPRC anticipates using scrap metal containers sized from 3 feet by 3 feet by 3 feet up to 7 feet by 4 feet by 4 feet, which will be determined once exploration commences. The existing power line, operated through Rocky Mountain Power, runs from the transformer station to the "raise" where the lines then proceed underground.

The present buildings and facilities are needed for the operation and include the following:

- Old Home/Storage;
- Core Storage;
- Shop/Supply storage buildings;
- Covered Mine Portal:
- Compressor and generator buildings;
- Transformer Platform;
- Storage Trailer/Mobile;
- Security Storage;
- Motor Barn;
- Main Office trailer:
- Light Room;
- Change Room/Restroom; and,
- Power Substation.

#### 5.0 ENVIRONMENTAL PROTECTION MEASURES

WPRC is committed to protecting the environment when conducting the exploration activities. This section describes environmental protection measures which will be adopted during the proposed activities, as outlined in 36 CFR 228.8.

#### 5.1 Air

WPRC will comply with the applicable Federal and State air quality standards, including the requirements of the Clean Air Act. The following environmental protection measures will be implemented during underground exploration operations.

- The underground operations will utilize proper mining techniques and procedures as per the Mine Safety and Health Administration (MSHA) regulations for the health and safety of the mine employees with regard to air quality and ventilation. The underground mine equipment will be operable according to State of Utah emission regulations, as applicable.
- WPRC will acquire the appropriate air permits from the Utah Department of Environmental Quality for the proposed activities.
- Dust on the access roads will be kept to a minimum through watering, using the on-site water truck.
- Vehicles and equipment will adhere to the posted speed limits on all National Forest System Roads or 10 miles per hour if not posted.

Through the implementation of the above environmental protection measures by WPRC, no environmental impacts for air are anticipated, with the project activity.

#### 5.2 Water

The existing buildings and mine facilities are not anticipated to cause any adverse impacts on surface or groundwater. WPRC will comply with applicable Federal and State water quality standards. The existing PTH Tunnel does not have any flowing water exiting the portal. The underground workings are considered to be dry and WPRC does not intend to encounter groundwater during the exploration activity. The PTH Tunnel facility has no identified surface water features, including seeps/springs or wetlands. WPRC will incorporate the following environmental protection measures during underground exploration activities.

- WPRC will apply for necessary permits with regard to stormwater or surface water if there are any wetlands or waters of the United States identified.
- WPRC will avoid seep/springs or wetlands, and avoid performing any activities within 100 feet of any identified creek, seep, spring, or wetland. Currently, there are no known surface water features or streams identified.
- Best management practices include upgrading berms and/or ditches for run-on/run-off control along the access road, diversion ditch/berm around the upgradient portion of the project area and buildings to control any run-on onto the project site.
- WPRC will initiate the use of certified weed-free straw bales, straw wattles, or other best management practices to ensure run-off control from the project site.

WPRC does not propose any dewatering for the continuing activities. Based on previous information gathered during exploration and mining activities, the depth to groundwater is estimated to be approximately 200 to 800 feet below ground level, within the general area.

The existing waste rock material sourced from the existing PTH Tunnel, has been in place for at least 40 years. No acid rock drainage indicators are visible. The waste material is characterized as carbonate/limestone/marble; therefore, the neutralization potential is greater than the acid potential.

In 2013, WPRC collected waste rock samples along the side slopes of the facility to evaluate the geochemistry and total carbon/sulfur contents of the in-situ material. Samples were submitted to SGS Minerals Laboratory for a multi-element and LECO total carbon/sulfur analyses. All of the samples show carbon/sulfur ratios of much greater than 1/1 in both geologic formations and on material that is currently on the spoils pile indicating that all materials are collectively net-neutralizing with abundant excess carbonate to neutralize the system even if all sulfide sulfur was available to make sulfuric acid. Given that the lowest carbon/sulfur ratio is on the existing dump and there is no evidence of acid rock drainage (ARD) it is clear that the materials proposed to be mined and deposited on the existing pile contain greater net-neutralizing potential and present no ARD risk. No historic ARD observed through the life of the waste rock facility. The results are presented in Appendix A.

Newly mined waste material from the PTH Tunnel will be of similar mineralogy and WPRC will monitor the extracted material for acid generation and neutralization potential on a quarterly routine.

The combination of a lack of surface and groundwater within the project area, the mineralogical composition of the waste rock material, and WPRC adopting the environmental protection measures as outlined above, will ensure no impacts to surface or groundwater will occur with the proposed activities.

#### 5.3 Solid Waste

WPRC will comply with applicable Federal and State standards for the treatment and disposal of solid wastes. Solid wastes generated from the proposed activities include general trash. General trash includes food wastes, packaging, and empty containers from personnel. Trash may be kept in a large bin outdoors and the lids will be kept closed to minimize animal access. No hazardous or toxic waste, waste oil or lubricants will be disposed of on public lands. WPRC and their contractors will minimize any waste generated during the plan activities. All trash and other debris will be contained on the work site and then hauled off-site to an approved facility.

#### 5.4 Scenic Values

The PTH Tunnel facility has existed for at least 40 years. There is no new disturbance associated with the proposed underground exploration. Any visual modifications proposed in the Plan will be related to the power and safety upgrades to the existing structures. This will be required for operations and safety. There will be additional waste material placed onto the existing waste rock facility. Any impact on scenic values as a result of project activities will be minimized by incorporating the following measures:

- Allowing natural vegetation to grow, reseeding where advisable;
- Buildings and existing structures will be upgraded, maintained, and power re-instated to meet operational, health, and safety requirements; and,

• When the operation concludes, re-contouring of waste rock facility to blend into the landscape and final re-seeding.

There is no anticipated impact to scenic values, as the proposed disturbance and buildings currently exist and until reclamation occurs, no new disturbance is proposed, as a result of the project activities.

#### 5.5 Fish and Wildlife

There are no fisheries present within the project area. The proposed activities within the project area are not to affect bodies of water or streams (Figure 1). The area around the project consists of a pinyon pine/juniper habitat. The proposed activities are not anticipated to have an impact on wildlife within the area. The following management practices will minimize potential impacts to wildlife:

- WPRC will not allow any harassment of animals during mining operations;
- Trash will be kept in closed containers, and vehicles will adhere to the posted speed limit:
- Upon cessation of operations the underground adit (PTH tunnel) will be secured so that people or animals will not have access into the area, other than potential bat habitat; whereas a properly designed bat gate will be installed; and,
- The area around the existing and proposed activities will be reclaimed and all buildings will be removed as per the approved reclamation plan.

There is no anticipated impact to wildlife, since WPRC will adopt the environmental protection measures as presented above.

#### 5.6 Cultural Resources

The proposed activities in the plan are being conducted on previously disturbed ground. There is no new disturbance proposed other than additional material placed onto the existing waste rock facility. However, WPRC recognizes that if any cultural or paleontological resources, including to but not limited to historic ruins, prehistoric artifacts and fossils, are discovered, the resources shall be left intact and immediately brought to the attention of the USFS authorized representative. In addition, WPRC will instruct contractors and employees in the laws (43 Code of Federal Regulation part 10) governing collection of cultural artifacts and historical items.

Pursuant to 43 CFR 10.4(g), WPRC shall notify the responsible Federal agency official upon the discovery of human remains, funerary objects, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4(c) and (d), WPRC will immediately stop all activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the authorized officer. The activity that resulted in the inadvertent discovery may resume thirty (30) days after certification by the notified Federal agency of receipt of the written confirmation of notification of inadvertent discovery.

#### 5.7 Hazardous Substances

No hazardous or toxic waste, waste oil, or lubricants will be disposed of on National Forest System lands. The mining equipment, generators, drilling equipment, and light vehicles may use common petroleum products, including diesel, motor oil or hydraulic oil. The following environmental protection measures will be implemented, where applicable:

- All chemicals used and stored on site will have a material safety data sheet (MSDS) on file, properly labeled, and placed on secondary containment, either in a building or lined/concrete area;
- All personnel will be trained on the proper handling, labeling, and disposal of the material;
- Used oil from equipment maintenance will be stored in labeled containers and sent to recycling facilities for proper disposal;
- There are no fueling trucks or temporary fuel tanks present within the project boundary;
- Heavy equipment and support vehicles will be fueled prior to entering the project area; and.
- WPRC will implement a spill contingency plan procedure to address spill incidents and reporting procedures, with a focus on prevention.

#### 5.8 Reclamation

WPRC will stabilize disturbed areas to prevent erosion and will restore the vegetation to support pre-mining land use, grazing, recreation, and wildlife. Soil to be used for reclamation is stockpiled at the upper mine area, outside the project area (Figure 2). The stockpiled soil has been in place since 2007, as a result of the previous mining activities. There will be no new soil added to the existing stockpiles. The existing stockpile material covers over 2 acres and averages 8 feet thick, containing approximately 30,000 cubic yards of material. The reclamation operation will be initiated immediately and completed within two years after the cessation of project activities. All efforts will be taken to prevent unnecessary and undue degradation. Measures that will be taken to prevent or control onsite and off-site damage to the environment and forest surface resources are derived from the general requirements established by 36 CFR§ 228.8 (g) surface management regulations for reclamation. As outlined in Section 5.2 through 5.7, WPRC will take measures as to prevent or control onsite and off-site impact to resources, through control of erosion, surface water run-on and run-off, isolation, removal or control or toxic materials, and reclamation activities.

The buildings will be emptied and salvaged or demolished and the material hauled to the nearest approved landfill. The concrete foundations will be broken up and removed to an approved landfill. Bat gates will be installed at the PTH tunnel portal, which will allow for bat habitat, yet preclude human entry. The underground mine rails will be left in place and surface track will be removed and hauled away.

The waste rock facility will be re-graded to a 3.0 horizontal (H) to 1.0 vertical (V) slope. Once the area has been contoured similar to the surrounding area, up to six inches of soil cover will be placed over the area. The soil cover is from the upper mine area stockpile, and a soil amendment may be added to encourage vegetation growth.

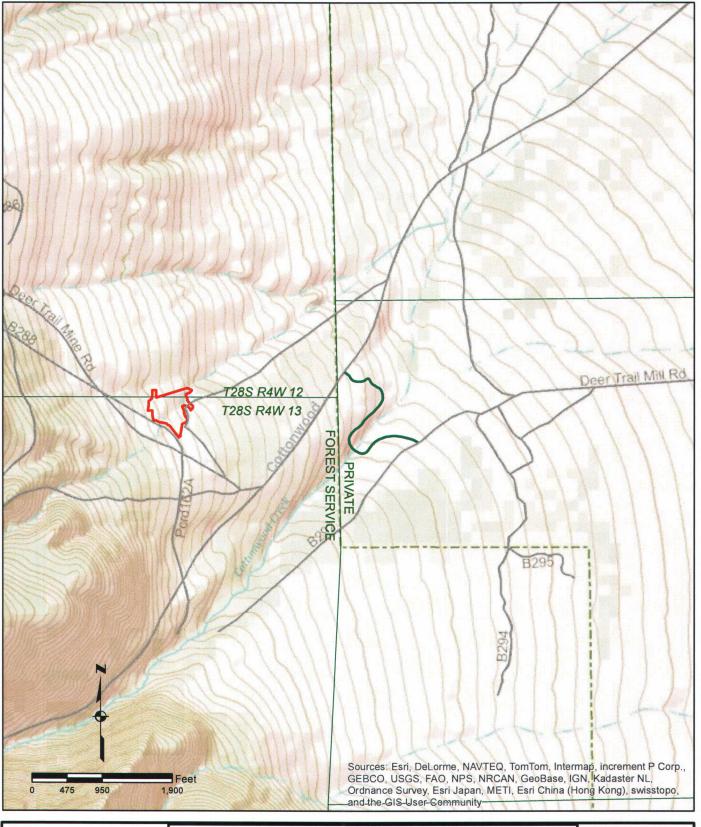
Generally, the final surface of reclaimed areas and recontoured roads will be left in rough condition to hold seed and to optimize germination. Reclaimed areas will be either broadcast or hand broadcast seeded with a USFS approved seed mix. A previously approved seed mix from the Department of Natural Resources, Division of Oil, Gas and Mining in February 2005 is shown in Table 3 (DNR, 2005). Changes and/or adjustments to the seed mix and/or application rate may be made in consultation with FS BRD staff. Seeding will be completed at the appropriate time of year as advised by BRD personnel.

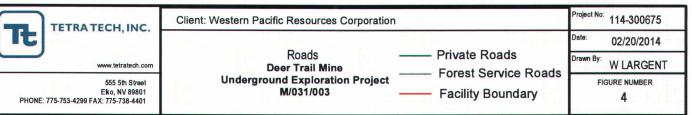
Forest Roads will remain in place, but be returned to pre-operating conditions or as directed by the Forest Service, Figure 4. Roads used for the exploration operation are pre-existing. Any improvements to the roads consist of re-grading, filling, and potentially widening where needed. At the permanent closure of our operations only the portions of the roads what were widened will be pulled back in and those widened sections will be roughed with a track hoe and broadcast seeded.

Table 3: Reclamation Seed Mix

| Common Name            | Species Name                  | Rate of pound (lbs) per acre of pure live seed |  |  |  |  |
|------------------------|-------------------------------|--|--|--|--|--|
| Hard fescue            | Festuca ovina 'durar'         | 2.0  |  |  |  |  |
| Bluebunch wheatgrass   | Agropyron spicatum 'whitmar'  | 3.0  |  |  |  |  |
| Orchard grass          | Dactylis glomerata            | 0.5  |  |  |  |  |
| Crested wheatgrass     | Agropyron cristatum 'hycrest' | 1.0  |  |  |  |  |
| Basin wildrye          | Elymus cenerius               | 2.0  |  |  |  |  |
| Alfalfa                | Medicago sativa 'ladac'       | 1.0  |  |  |  |  |
| Yellow sweetclover     | Melilotis officinalis         | 0.5  |  |  |  |  |
| Palmer penstemon       | Penstemon plameri             | 0.5  |  |  |  |  |
| Small burnet           | Sanguisorba minor             | 2.0  |  |  |  |  |
| Annual ryegrass        | Lolium ssp.                   | 2.0  |  |  |  |  |
| Mountain mahogany      | Cercocarpus ledifolius        | 1.0  |  |  |  |  |
| Mountain big sagebrush | Artemesia tridentata vaseyana | 0.1  |  |  |  |  |
| Bitterbrush            | Purshia tridentate            | 1.0  |  |  |  |  |
| Rabbitbrush            | Crysothamnus nauseosus        | 0.2  |  |  |  |  |
| Forage kochia          | Kochia prostrate              | 0.5  |  |  |  |  |
| Total                  |                               | 17.3 lbs/acre                                  |  |  |  |  |

\*Source: Utah DNR, February 2005





#### 6.0 BONDING

Reclamation of all disturbances connected with this plan of operations is covered by a Reclamation Performance Bond, for the penal sum of \$254,000. WPRC is currently updating the bond with the Utah Division of Oil, Gas, and Minerals Department. This Reclamation Performance Bond is a guarantee of faithful performance with the terms and conditions listed below, and with the reclamation requirements agreed upon in the plan of operations. This Reclamation Performance Bond also extends to and includes any unauthorized activities conducted in connection with this operation.

The bond calculation and approval will require cooperation between the UDOGM and FS agencies.

The bond amount for this Reclamation Performance Bond was based on a bond calculation worksheet, provided through UDOGM. The bond amount may be adjusted during the term of this proposed plan of operation in response to changes in the operations or changes in the economy. Both the Reclamation Performance Bond and the bond calculation worksheet are attached to as Appendix B, and currently being updated.

Acceptable bond securities (subject to change) include:

- Negotiable Treasury bills and notes which are unconditionally guaranteed as to both principle and interest in the amount equal at their par value to the penal sum of the bond; or
- Certified or cashier's check, bank draft, Post Office money order, cash, assigned certificate of deposit, assigned savings account, blanket bond, or an irrevocable letter of credit equal to the penal sum of the bond.

#### 7.0 TERMS AND CONDITIONS

If a bond is required, it must be furnished before approval of the plan of operations.

Information provided with this plan marked confidential will be treated in accordance with the agency's laws, rules, and regulations.

Approval of this plan does not constitute certification of ownership to any person named herein and/or recognition of the validity of any mining claim named herein.

Approval of this plan does not relieve me of my responsibility to comply with other applicable state or federal laws, rules, or regulations.

If previously undiscovered cultural resources (historic or prehistoric objects, artifacts, or sites) are exposed as a result of operations, those operations will not proceed until notification is received from the Authorized Officer that provisions for mitigating unforeseen impacts as required by 36 CFR 228.4(e) and 36 CFR 800 have been complied with.

This plan of operations has been approved for a period of \_\_\_\_\_\_or until (mm/dd/yy). A new or revised plan must be submitted in accordance with 36 CFR part 228, subpart A, if operations are to be continued after that time period.

#### 8.0 OPERATING PLAN ACCEPTANCE

I/We have reviewed and agreed to comply with all conditions in this plan or operations including the required changes, modifications, special mitigation, and reclamation requirements.

I/We understand that the bond will not be released until the Authorized Officer in charge gives written approval.

Operator (or Authorized Representative)

Date March 19, 2014

OPERATING PLAN APPROVAL 9.0

Title Vice President Exploration

Authorized Officer Date March 19

#### 10.0 REFERENCES

http://www.wunderground.com/weather-forecast/US/UT/Marysvale.html (2013) Wunderground, weather forecast. Viewed October 3, 2013.

Department of Natural Resources, Division of Oil, Gas and Mining, February 2005, *Notice of Intention to Commence Large Mining Operations*, Unico Incorporated, February 11, 2005.

### APPENDIX A

#### Western Pacific Resources Corporation

#### Summary of PTH Tunnel and Spoils Pile Geochemistry

#### Purpose:

In 2013, eleven samples were collected and submitted to SGS Minerals Laboratory in Elko NV to evaluate the geochemistry and total carbon/sulfur contents of current dump material and material scheduled to be removed from the PTH tunnel at Deer Trail mine.

#### Mining and Spoils Pile History:

Material from the Deer Trail Mine ("Lower Deer Trail") began being deposited at or topographically below the PTH level dump in the 1930s. The last reported tonnage of material of any volume was deposited in late 1980 and early 1981. The spoils/waste pile has remained intact and virtually undisturbed since then. There has been no evidence of any ARD (Acid Rock Drainage) at any location within the dump. All "toes" of the dump have been visually inspected and there is no evidence of any acid issues despite approximately 80 years of rock interaction with precipitation and surface meteoric water activity.

#### Deer Trail Geology:

There are two distinct rock formations that will be encountered while exploring and underground drilling in the 3400 area (PTH level).

- 1) Tv (Tertiary Volcanic Mudflow): This unit is comprised of a heterolithic mud-matrix conglomerate with a wide variety of different clasts (limestone, quartzite, tuff, lava flows and others). There are no visible sulfides or alteration products to indicate that this material is anything but neutral (pH7) to acid neutralizing (pH>7). This material extends from the portal opening to 2648 feet into the PTH tunnel. A minimal amount of this material is scheduled for removal and placement on the spoils pile, only what is required to widen and stabilize the tunnel and access.
- 2) Pc (Callville Formation): This rock sequence was deposited in a shallow sea and as is expected in such an environment is abundant in calcium carbonate (CaCO³). This rock formation consists of approximately 75% limestone (or marble), 15% dolomite (CaMg(CO³)²) and 10% quartzite (mainly SiO²). Of these rock types only quartzite would not be acid neutralizing, but would be net-neutral and not acid producing. Both dolomite and limestone are known to be acid neutralizing rocks (limestone pH>8; dolomite pH= 8.5 to 10). Lesser amounts of other carbonates have been noted within the proposed mining area: 1) Ankerite (Ca(Fe,Mg,Mn)(CO³)²; 2) Siderite (FeCO³); 3) Rhodochrosite(MnCO³). These are more minor constituents but all have a pH of greater than 7. The majority of the material that is scheduled to report to the spoils pile is from the Callville Formation. The initial active mining will be in the Callville from the Tv contact at 2648 feet until approximately the 4000 foot area.

#### Mineralization/Mineralogy:

The mine has polymetallic mineralization (multiple ore metals). The economic minerals and the metals that will be processed include: gold, silver, lead, zinc and copper. In this "manto-type" system the sulfides are tightly associated with the ore-grade mineralization. The vast majority of these sulfides will be shipped to the mill (a "closed process") and will be responsible for profitability. The lithologic boundaries between ore and waste are relatively sharp. The unmineralized waste rock is therefore generally very low in sulfide content and generally high in acid-buffering carbonates. The sulfides that are associated with most of the ore-grade material are galena (PbS), sphalerite (ZnS) and pyrite (FeS²). All three of these minerals are insoluble to poorly soluble in water and are relatively stable species in an oxidizing environment (like the spoils pile) but almost none of these minerals will go anywhere but the mill. Other sulfur-bearing minerals, the sulfate minerals (barite and gypsum) are generally rare in the mine. Barite and gypsum are locally present in both ore and gangue (waste) material. Barite (BaSO⁴) is insoluble in water and stable in surface, oxidizing conditions and will not create ARD. Gypsum (CaSO⁴) is the major component of wallboard used in construction of almost all interior building walls, commercial or domestic, in the USA. Gypsum while moderately soluble in water is inert and non-toxic and presents no potential to produce ARD.

#### Sample Collection and Assay Procedure:

- 1) Eleven total samples were collected using a rock hammer, a bucket and were stored in sample sacks. A representative sample was chiseled out of the rock along a documented length in the tunnel rib or spoils pile, described, demarcated with spray paint and an aluminum tag. Samples in the Callville Formation were taken from areas that are scheduled to be minimally excavated to facilitate an exploration drill rig as part of Western Pacific's proposed exploratory program.
- 2) The eleven samples were delivered to SGS Minerals Lab in Elko NV in December 2013 for the following analyses:
- a) Multi-element geochemistry (Analysis ICM14B)
- LECO total carbon/sulfur (Analysis CSA06V). The procedures for the carbon/sulfur analyses are attached.

#### **Assay Results:**

See attached copies of the original assay results received by Western Pacific Resources in January 2014 from SGS Minerals Laboratory, Elko NV.

#### General Summary of Acid Rock Drainage (ARD) and Neutralization:

Acid rock drainage occurs in low-carbonate (CO³) mine waste dumps where sulfide minerals interact with water and oxygen to create sulfuric acid. Several sulfide species can contribute to ARD but the end result is the same. A simple (unbalanced) equation for sulfuric acid formation is: H²O (water) + FeS² (pyrite/marcasite) = Fe(+2) (ferrous iron) + H(+1) (hydrogen gas) + H²SO⁴ (sulfuric acid). The presence of carbonate (CO³) in sufficient amounts neutralizes sulfuric acid in the (unbalanced) equation: CaCO³ (calcite/pure limestone) + H²SO⁴ (sulfuric acid) = CaSO⁴ (calcium sulfate/gypsum) + H²O (water) + CO²

(carbon dioxide gas). A complex molecular mass balance yields the following results: 100 grams of pure calcium carbonate (CaCO³) neutralizes 98 grams of pure sulfuric acid (H²SO⁴). This is a ratio of roughly one CaCO³ to one H²SO⁴. CaCO³ has one carbon atom in the compound and H²SO⁴ has one sulfur atom. It is therefore intuitive that a Carbon/Sulfur ratio of 1/1 is approximately net-neutral. The LECO analysis shows total carbon and total sulfur numbers. In any waste/spoils pile not all of the sulfide is available to make acid and some species are stable and will not react. Any sulfides that are "encapsulated" in the rock and with no access to oxygen and water will not react and are thus stable. Using the LECO assays, in a "worst case scenario" in which ALL sulfides were available to make sulfuric acid the vast amount of buffering carbonate minerals would easily make the spoils pile net-neutralized with plenty of excess carbonate.

#### Summary of Deer Trail Carbon/Sulfur Mineralogy:

A note must be made concerning the mineral origins of carbon in this system. There has been no documented elemental carbon (graphite) in the mining or drilling. This indicates that most or all carbon measured in the LECO analysis is in the form of carbonate (CO<sup>3</sup>) which is the basis of acid buffering/neutralizing minerals in such rocks as limestone and dolomite.

A note must also be made concerning the mineral origins of sulfur in this system. There has been no documentation or evidence through the life of this mine that any elemental sulfur (S) exists and that is consistent with all comparable systems worldwide. Elemental pure sulfur exists only in very low-temperature, near-surface environments that do not fit any of the models or observations of mineral emplacement in the Deer Trail mine area. This indicates that most or all sulfur is in sulfide (xS) such as pyrite, galena or sphalerite or sulfate (xSO) minerals such as barite and gypsum as described above.

#### Summary of the Deer Trail LECO Results:

The LECO results show average carbon/sulfur ratios as follows for the different rock types and sample locations:

- 1) Tv (Tertiary Volcanics): carbon=0.935%/sulfur=0.040%= 23.375
- 2) Pc (Callvile Formation): carbon=7.168/sulfur=0.410%= 17.483
- 3) Existing Spoils material from the surface: carbon=4.743%/sulfur=0.8375%= 5.663

All of the samples show carbon/sulfur ratios of much greater than 1/1 in both geologic formations and on material that is currently on the spoils pile indicating that all materials are collectively net-neutralizing with abundant excess carbonate to neutralize the system even if all sulfide sulfur was available to make sulfuric acid. Given that the lowest carbon/sulfur ratio is on the existing dump and there is no evidence of ARD it is clear that the materials proposed to be mined and deposited on the existing pile are even stronger net-neutralizing and present no ARD risk. Given the high carbon/sulfur ratios of these samples it is no surprise that no historic ARD has been reported or observed through the life of the spoils/waste pile.

#### Sample Descriptions:

Tv (Tertiary Volcanics): two samples were collected in this rock type.

- PTH-LECO-001- red heterolithic conglomerate. 10 foot chip sample taken between 300 and 310 from portal entrance.
- PTH-LECO-002- red/yellow heterolithic conglomerate. 10 foot chip sample taken from 1100 to 1110 feet from portal entrance.

Callville Formation: five samples were collected in this rock formation.

- PTH-LECO-003- dark gray fractured limestone. 10 foot chip sample taken from 2650 to 2660 feet from portal entrance.
- PTH-LECO-004- fine-grained light gray limestone. 10 foot chip sample taken from 2900 to 2910 feet from portal entrance.
- PTH-LECO-005- light gray, fractured limestone, fine grained. 10 foot chip sample taken 3200 to 3210 feet from portal.
- 4) PTH-LECO-006- Medium bedded, medium gray fine-grained limestone. 10 foot chip sample taken from 3400 to 3410 feet from the portal entrance.
- PTH-LECO-007- Medium, bedded fine-grained medium gray limestone. 10 foot chip sample taken 3730 to 3740 feet from the portal entrance.

Spoils Material: four samples were collected from the existing spoils pile at the surface. These samples included both coarse and fine-grained material. Locations are reported in UTM NAD 27 meters in a separate report.

- 1) DUMP-LECO-001- 70% light gray quartzite, 30% limestone and marble. 33 foot "grab" sample from toe to crest of dump. No visible sulfides.
- 2) DUMP-LECO-002- 80% white/light brown quartzite, 20% gray limestone with some marble. 30 foot grab/channel sample from toe to crest of dump. No visible sulfides.
- 3) DUMP-LECO-003- 60% white/brown quartzite, 30% recrystallized limestone/marble, 10% shale/siltstone, rare FeOx-rich gossans. 45 foot grab of coarse and fines from toe of dump to as far as I could get up the slope (about 1/3 of the way). No visible sulfides.
- 4) DUMP-LECO-004- 80% quartzite, 10% light gray limestone, 10% gray siltstone/shale. 25 foot grab/channel from toe to crest of dump. No visible sulfides.



CSA06V:

The Determination of Total Sulfur by LECO in Geological Samples.

- 1. Parameter(s) measured, unit(s): Sulfur (S): %
- 2. Typical sample size range: (0.02g 0.20 g)
- 3. Type of sample applicable (media): Crushed and pulverized rocks.
- 4. Sample preparation technique used:

Add 1 scoop of iron chips, which is an accelerator that facilitates the ignition of small sample size or non-ferrous samples, and 1 scoop of LECOCEL, which also facilitates the ignition of samples for combustion analysis, to the crushed and pulverized rocks samples in tared ceramic crucibles.

5. Method of analysis used:

A microprocessor based instrument, LECO CS-244 Carbon/Sulfur analyzer, can perform a wide-range of measurements to simultaneously determine the carbon and sulfur content of the samples. The sample is weighed, varying with sample size used, into a tared ceramic boat and loaded into the autoloader where it combusts in a furnace at 1350°C. Sample is combusted in a purified oxygen stream using a LECO HF-100 induction furnace. Carbon and sulfur are converted to CO<sub>2</sub> and SO<sub>2</sub> respectively and measured by infrared cell and the results printed automatically in percent carbon and sulfur. Samples are analyzed against known calibration materials to provide quantitative analysis of the original sample

6. Data reduction by:

The results are exported via computer, on line, data fed to the SGS Laboratory Information Management System (SLIM) with secure audit trail.

7. Figures of Merit:

This method has been fully validated for the range of samples typically analyzed. Method validation includes the use of certified reference materials, replicates and blanks to calculate accuracy, precision, linearity, range, and limit of detection, limit of quantification, specificity and measurement uncertainty.

| E. C. C. C. C. C. | RA RARA           |
|-------------------|-------------------|
| Element           | Reporting Limit % |
| S                 | 0.005             |

The estimated Measurement Uncertainty (MU) has been established for the following base metal parameters of this method at the following concentration ranges and is based on laboratory replicate data (comprising of different samples, analysts, laboratory conditions, equipment, etc.).



| Concentration Range (%) | Estimated Measurement<br>Uncertainty (MU) +/- S% |
|-------------------------|--|
| 0.005 - 0.01%           | 0.0029   |
| 0.01 - 0.05%            | 0.0044   |
| 0.05 - 0.10%            | 0.0083   |
| 0.10 - 0.50%            | 0.0183   |
| 0.50 - 1.0%             | 0.0322   |
| 1.0 - 5.0%              | 0.0682   |
| 5.0 - 10%               | 0.1752   |
| 10 - 50 %               | 0.5892   |
| 50 - 100 %              | 0.3536   |

<sup>\*</sup> Note: Validation and measurement Uncertainty is site and instrument specific.

#### 8. Quality control:

Instrument calibration is performed for each batch or work order and calibration checks are analyzed within each analytical run. Quality control materials include method blanks, replicates, duplicates and reference materials and are randomly inserted with the frequency set according to method protocols at ~14%.

Quality assurance measures of precision and accuracy are verified statistically using SLIM control charts with set criteria for data acceptance. Data that fails is subject to investigation and repeated as necessary.

#### 9. Accreditation:

The Standards Council of Canada has accredited this test in conformance with the requirements of ISO/IEC 17025. See <a href="https://www.scc.ca">www.scc.ca</a> for scope of accreditation



#### **Certificate of Analysis**

Work Order: 883-1301166 [Report File No.: 0000002639]

To: Erick saderholm

WESTERN PACIFIC RESOURCES CORPORATION

2785 Jennings way Elko NV 89801

USA

P.O. No.

PTH-Leco - Dump-Leco

Project No.

11

No. Of Samples

Dec 13, 2013

Date Submitted Report Comprises

: Pages 1 to 7

(Inclusive of Cover Sheet)

Certified By:

Miguel Gonzalez Preparation Manager

Date:

Jan 10, 2014

Report Footer

L.N.R. = Listed not received

= Insufficient Sample

= Not applicable

"INF = Composition of this sample makes detection impossible by this method M after a result denotes ppb to ppm conversion, % denotes ppm to % conversion

Methods marked with an asterisk (e.g. \*NAA08V) were subcontracted

Elements marked with the @ symbol (e.g. @Cu) denote assays performed using accredited test methods

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WARNING. The sample(s) to which the findings recorded herein (the "Findings") relate was (ware) drawn and / or provided by the Client or by a third party acting at the Client's direction. The Findings constitute no warranty of the sample's representativity of the goods and strictly relate to the sample(s). The Company accepts no liability with regard to the origin or source from which the sample(s) is/are said to be extracted. The findings report on the samples provided by the client and are not intended for commercial or contractual settlement purposes. Any unauthorized alteration, forgery or falsification of the content or appearance of this document is unlawful and offenders may be prosecuted to the fullest extent of the law

Page 2 of 7

| Element<br>Method<br>Det.Lim.<br>Units | WtKg<br>WGH79<br>0.001<br>kg | Ag@<br>ICM14B<br>0.01<br>PPM | Ag<br>ICM14B<br>0 01<br>PPM | AI<br>ICM14B<br>0.01<br>% | B<br>ICM14B<br>10<br>PPM | Ba<br>ICM14B<br>5<br>PPM | Ca<br>ICM14B<br>0.01<br>% | Cr<br>ICM14B<br>1<br>PPM | Cu<br>ICM14B<br>0.5<br>PPM | Fe<br>ICM148<br>0 01<br>% |
|--|------------------------------|------------------------------|-----------------------------|---------------------------|--------------------------|--------------------------|---------------------------|--------------------------|----------------------------|---------------------------|
| PTH-Lecc-1                             | 1.200                        | 073                          | 0.39                        | 1 22                      | 30                       | 161                      | 2.99                      | 17                       | 24.7                       | 1.78                      |
| PTH-Leco-2                             | 1.140                        | 0.42                         | 0 23                        | 0.95                      | 40                       | 62                       | 3.20                      | 14                       | 13.3                       | 1.13                      |
| PTH-Leco-3                             | 0.800                        | 3.95                         | 4 77                        | 0.92                      | 40                       | 59                       | >15                       | 30                       | 12.1                       | 0.67                      |
| PTH-Leco-4                             | 0.960                        | 22 2                         | >10.0                       | 0.53                      | 40                       | 37                       | >15                       | 14                       | 49.3                       | 0.26                      |
| PTH-Leco-5                             | 0.880                        | 7.19                         | 7.66                        | 0,55                      | 40                       | 453                      | 0.90                      | 16                       | 22.8                       | 1.42                      |
| PTH-Leco-6                             | 0.740                        | 0 98                         | 0 97                        | 0.38                      | 40                       | 57                       | >15                       | 10                       | 10.2                       | 0.24                      |
| PTH-Leco-7                             | 1.260                        | 4 80                         | 5 58                        | 0 46                      | 40                       | 78                       | >15                       | 15                       | 6.4                        | 0.37                      |
| Dump-Leco-1                            | 1.460                        | 4 89                         | 5 52                        | 0 83                      | 30                       | 390                      | 12,1                      | 15                       | 60 4                       | 0.48                      |
| Dump-Leco-2                            | 1.380                        | 46 9                         | >100                        | 1 18                      | 40                       | 569                      | 5.66                      | 29                       | 292                        | 1.13                      |
| Dump-Leco-3                            | 1,300                        | 0 56                         | 0 35                        | 0 46                      | 40                       | 16                       | >15                       | 11                       | 6.5                        | 0 41                      |
| Dump-Leco-4                            | 2,120                        | 4 46                         | 5 08                        | 0 42                      | 30                       | 887                      | 13.1                      | 18                       | 23 3                       | 0.47                      |

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| Element         K.         Li         Mg         Na         Ni         P           Method         ICM14B         ICM14B | S Sr<br>ICM14B ICM14B | Ti        | V                  |
|--|-----------------------|-----------|--------------------|
|  | 0.01 0.5<br>% PPM     | 0.01<br>% | ICM14B<br>1<br>PPM |
| PTH-Leco-1 0.24 24 1.23 0.02 15.5 500  | 0 03 76.3             | <0.01     | 20                 |
| PTH-Leco-2 0.20 22 1.28 0.01 11.1 550  | 0.02 43 4             | <0.01     | 14                 |
| PTH-Leco-3 0.06 27 7.47 0.01 25.4 310  | 0.57 175              | <0.01     | 22                 |
| PTH-Leco-4 0.11 11 7.48 0.01 11.5 330  | 0.16 131              | 0.01      | 14                 |
| PTH-Leco-5 0.17 15 1.06 0.01 14.1 320  | 0.98 159              | < 0.01    | .11                |
| PTH-Leco-6 0.02 4 7.70 0.01 2.4 380  | 0.05 91.0             | 0.01      | 10                 |
| PTH-Leco-7 0.02 8 7.33 0.01 13.9 110   | 0 29 140              | <0.01     | 13                 |
| Dump-Leco-1 0.09 23 3.45 <0.01 8.0 460   | 1.56 214              | < 0.01    | 11                 |
| Dump-Leco-2 0.58 90 4.08 0.01 17.1 300   | 0.57 97.8             | 0.01      | 21                 |
| Dump-Leco-3 0.07 9 6.35 0.01 6.0 850   | 0.10 106              | <0.01     | 8                  |
| Dump-Leco-4 0 07 12 2.62 0 01 7 8 1620   | 1.04 388              | <0.01     | 11                 |

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| Element<br>Method<br>Det,Lim.<br>Units | Zn<br>ICM14B<br>1<br>PPM | ICM14B<br>0.5<br>PPM | As<br>ICM14B<br>1<br>PPM | Be<br>ICM14B<br>0 1<br>PPM | Bi<br>ICM14B<br>0.02<br>PPM | Cd<br>ICM14B<br>0 01<br>PPM | Ce<br>ICM14B<br>0.05<br>PPM | Co<br>ICM148<br>0.1<br>PPM | Cs<br>ICM14B<br>0.05<br>PPM | Ga<br>ICM14B<br>0.1<br>PPM |
|--|--------------------------|----------------------|--------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|
| PTH-Leco-1                             | 81                       | 1.8                  | 13                       | 1.0                        | 0.16                        | 0 47                        | 30.0                        | 7.4                        | 2 87                        | 3.8                        |
| PTH-Leco-2                             | 39                       | 1.4                  | 18                       | 0.9                        | 0.10                        | 0 23                        | 20.0                        | 4.7                        | 3 04                        | 2.7                        |
| PTH-Leco-3                             | 34                       | 0.7                  | 37                       | 1,0                        | 0.02                        | 0 59                        | 10.5                        | 2.6                        | 0 48                        | 3.1                        |
| PTH-Leco-4                             | 1360                     | 0.7                  | 136                      | 07                         | 0 03                        | 17.8                        | 7.03                        | 1.6                        | 1 08                        | 1.9                        |
| PTH-Leco-5                             | 174                      | 1.0                  | 13                       | 0.6                        | 2.20                        | 1.10                        | 34.8                        | 5.1                        | 1 12                        | 1.9                        |
| PTH-Leco-6                             | 129                      | 0.8                  | 6                        | 03                         | 0.06                        | 1 10                        | 10.4                        | 0.9                        | 0 38                        | 1.2                        |
| PTH-Leco-7                             | 30                       | 0.6                  | 933                      | 02                         | 0 07                        | 0.80                        | 7.82                        | 2.4                        | 0 21                        | 1.9                        |
| Dump-Leco-1                            | 1350                     | <0.5                 | 13                       | 0.6                        | 0.58                        | 129                         | 7.80                        | 1.5                        | 0.98                        | 28                         |
| Dump-Leco-2                            | 1990                     | 1.2                  | 82                       | 0.9                        | 10.7                        | 32 2                        | 24.9                        | 4.0                        | 3,70                        | 5 1                        |
| Dump-Leco-3                            | 40                       | <0.5                 | 5                        | 0.3                        | 0 34                        | 0.66                        | 7.37                        | 1.4                        | 1.15                        | 13                         |
| Dump-Leco-4                            | 943                      | 0.6                  | 8                        | 0.2                        | 0.23                        | 13 7                        | 6.43                        | 1.3                        | 0.68                        | 1.5                        |

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| Element<br>Method<br>Det.Lim.<br>Units | Ge<br>ICM14B<br>0.1<br>PPM | Hf<br>ICM148<br>0,05<br>PPM | Hg<br>ICM14B<br>0 01<br>PPM | In<br>ICM14B<br>0 02<br>PPM | ICM14B<br>0.1<br>PPM | Lu<br>ICM14B<br>0.01<br>PPM | Mo<br>ICM14B<br>0.05<br>PPM | Nb<br>ICM14B<br>0.05<br>PPM | Pb<br>ICM14B<br>0 2<br>PPM | Rb<br>ICM14B<br>0 2<br>PPM |
|--|----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|----------------------------|
| PTH-Leco-1                             | <0.1                       | 0.18                        | 0 12                        | 0 03                        | 14.9                 | 0.08                        | 1.24                        | 0.41                        | 45 8                       | 163                        |
| PTH-Leco-2                             | <0.1                       | 0.09                        | 0 10                        | <0 02                       | 9.9                  | 0.06                        | 1.52                        | 0.14                        | 140                        | 138                        |
| PTH-Leco-3                             | <0.1                       | 0.06                        | 0 29                        | <0.02                       | 12.9                 | 0.08                        | 9.96                        | <0.05                       | 14.2                       | 3 3                        |
| PTH-Leco-4                             | <0.1                       | 0.05                        | 0 22                        | 0.03                        | 4.1                  | 0.05                        | 22.3                        | 0.10                        | 694                        | 99                         |
| PTH-Leco-5                             | <0.1                       | < 0.05                      | 0 73                        | <0 02                       | 18.2                 | 0.06                        | 5.17                        | <0.05                       | 97 8                       | 213                        |
| PTH-Leco-6                             | <0.1                       | < 0.05                      | 0 03                        | 0 03                        | 5.3                  | 0.05                        | 1.31                        | 0.06                        | 36 4                       | :17                        |
| PTH-Leco-7                             | <0.1                       | <0.05                       | 0 25                        | <0.02                       | 9.0                  | 0.07                        | 1.43                        | <0.05                       | 10 9                       | 1.0                        |
| Dump-Leco-1                            | < 0.1                      | <0.05                       | 0 07                        | 0 22                        | 4 1                  | 0.05                        | 2 06                        | <0.05                       | 948                        | 9 4                        |
| Dump-Leco-2                            | 0.1                        | 0 08                        | 0 17                        | 0 60                        | 132                  | 0.08                        | 75 6                        | 0 13                        | 3800                       | 79 5                       |
| Dump-Leco-3                            | <0.1                       | <0.05                       | <0.01                       | 0 02                        | 4 2                  | 0.04                        | 199                         | <0.05                       | 34 1                       | 50                         |
| Dump-Leco-4                            | <0.1                       | <0.05                       | 0.05                        | 0 32                        | 5.2                  | 0.05                        | 5 29                        | <0.05                       | 843                        | 8 1                        |

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| Element<br>Method<br>Det.Lim.<br>Units | ICM14B<br>0.05<br>PPM | ICM14B<br>0.1<br>PPM | Se<br>ICM14B<br>1<br>PPM | Sn<br>ICM14B<br>0 3<br>PPM | Ta<br>ICM14B<br>0.05<br>PPM | Tb<br>ICM14B<br>0.02<br>PPM | Te<br>ICM14B<br>0.05<br>PPM | Th<br>ICM14B<br>0.1<br>PPM | TI<br>ICM14B<br>0.02<br>PPM | ICM14B<br>0.05<br>PPM |
|--|-----------------------|----------------------|--------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------|
| PTH-Leco-1                             | 2.81                  | 3.0                  | <1                       | 04                         | 0.21                        | 0.35                        | 0.42                        | 3.9                        | 0 44                        | 0.93                  |
| PTH-Leco-2                             | 1.82                  | 2.2                  | <1                       | 03                         | <0.05                       | 0.23                        | 0.37                        | 2.4                        | 0 19                        | 0.51                  |
| PTH-Leco-3                             | 2.59                  | 3.2                  | 12                       | 0.3                        | <0.05                       | 0.24                        | 2.00                        | 1.3                        | 0 89                        | 3,48                  |
| PTH-Leco-4                             | 11.0                  | 4,3                  | 3                        | <03                        | <0.05                       | 0.17                        | 0.61                        | 0.8                        | 0.76                        | 4 14                  |
| PTH-Leco-5                             | 5.46                  | 1.3                  | 8                        | <03                        | < 0.05                      | 0.29                        | 2.33                        | 4.2                        | 2.87                        | 5 27                  |
| PTH-Leco-6                             | 1.77                  | 1.4                  | 4                        | <03                        | <0.05                       | 0.18                        | 0.90                        | 0.9                        | 0.15                        | 4 12                  |
| PTH-Leco-7                             | 23.9                  | 3.1                  | 12                       | <03                        | < 0.05                      | 0.18                        | 3.28                        | 0.8                        | 1.46                        | 3 88                  |
| Dump-Leco-1                            | 5.75                  | 1.8                  | 3                        | 03                         | <0.05                       | 0.14                        | 1.42                        | 14                         | 0.41                        | 1 13                  |
| Dump-Leco-2                            | 44 2                  | 23                   | 18                       | 16                         | <0.05                       | 0 24                        | 37.0                        | 27                         | 3 53                        | 5 22                  |
| Dump-Leco-3                            | 0.67                  | 14                   | <1                       | <03                        | <0 05                       | 0.12                        | 0.35                        | 0.7                        | 0 14                        | 1 31                  |
| Dump-Leco-4                            | 7.36                  | 1.2                  | 10                       | 0.4                        | < 0.05                      | 0.15                        | 2.80                        | 0.6                        | 0 27                        | 2 22                  |

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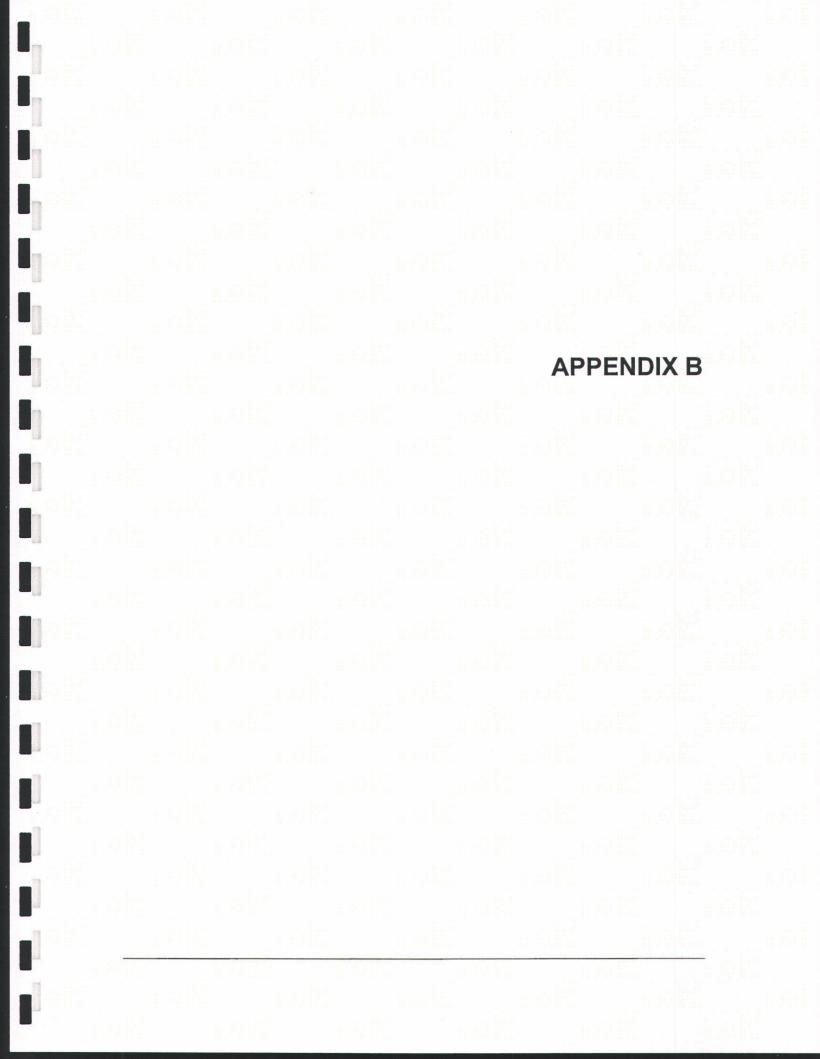
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| Element     |  | W      | Υ      | Yb     | S      | С      |
|-------------|--|--------|--------|--------|--------|--------|
| Method      |  | ICM14B | ICM14B | ICM14B | CSA06V | CSA06V |
| DetLim.     |  | 0.1    | 0.05   | 0.1    | 0.01   | 0.01   |
| Units       |  | PPM    | PPM    | PPM    | %      | %      |
| PTH-Leco-1  |  | 1.9    | 6.74   | 0,5    | 0 05   | 0.88   |
| PTH-Leco-2  |  | 2.3    | 5.24   | 0.4    | 0.03   | 0.99   |
| PTH-Leco-3  |  | 0.1    | 9.75   | 0.5    | 0.54   | 8.58   |
| PTH-Leco-4  |  | 0.2    | 5.50   | 0.3    | 0.16   | 8.76   |
| PTH-Leco-5  |  | 0.2    | 6 14   | 0.5    | 1 04   | 0.43   |
| PTH-Leco-6  |  | <0.1   | 5.50   | 0.4    | 0 05   | 9.00   |
| PTH-Leco-7  |  | <0.1   | 9.22   | 0.5    | 0.26   | 9.07   |
| Dump-Leco-1 |  | 0.1    | 4.27   | 0.3    | 1 58   | 3.95   |
| Dump-Leco-2 |  | 2.5    | 6 87   | 0.5    | 0 53   | 2 51   |
| Dump-Leco-3 |  | <0 1   | 3 96   | 03     | 0 19   | 8 09   |
| Dump-Leco-4 |  | <0.1   | 5 94   | 03     | 1 05   | 4 42   |

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| RECLAMATION SURETY ESTIMATE   |                    |   | 111111111111111111111111111111111111111 | 2 2 1 1 1          |
|---|--------------------|---|---|--------------------|
| Western Pacific Resources Corporation   |                    |   |   |                    |
| Deer Trail Mine and Mill  |                    |   |   |                    |
| DOGM file number M/031/003  | Piute County       |   |   |                    |
| Note: actual unit costs may vary according to site conditions                   |                    | last unit cost update                   | 10/7/2002                               |                    |
| Amount of disturbed area which will receive reclamation treatments              |                    | lest unit cost apaate                   | 10/1/2002                               | 12.81 acres        |
| Estimated total disturbed area for this mine                                    |                    |   |   | 13.81 acres        |
| estimated total disturbed area for this filme                                   |                    |   |   | 13.01 acres        |
| Activity  | Quantity Units     | \$/unit                                 | 1                                       | \$                 |
| Safety gates, signs, etc (6 signs & 2 gates)                                    | 1 lump sum         | \$ 1,600.00                             |   | \$ 1,600.00        |
| Demolition of buildings and facilities  | 65640 cf           | \$ 0.26                                 |   | \$ 17,066.00       |
| Demolition of other buildings and structures                                    | 16 hours           | \$                                      | 11                                      | \$ 3,936.00        |
| Demolition of fine ore bin  | 1 lump sum         | \$ 12,900.00                            | ža na                                   | \$ 12,900.00       |
| Demolition of upstairs annex  | 1 lump sum         | \$ 3,300.00                             | 1.7                                     | \$ 3,300.00        |
| Removal and burial of ball mill floor and pedestal (dozer)                      | 10 hours           | \$ 246.00                               |   | \$ 2,460.00        |
| Removal of site fences  | 25 hours           | \$ 15.00                                |   | \$ 375.00          |
| Debris and equipment removal- trucking  | 18 trips           | \$ 55.00                                | 1.                                      | \$ 990.00          |
| Debris and equipment removal- trucking  Debris and equipment removal- dump fees |                    | \$ 55.00                                | 11                                      | \$ -               |
|   | 0 ton              |   |   |                    |
| Debris and equipment removal- loading trucks w/FE loader                        | 15 hours           | \$ 180.00                               | 1 1 1 1 1 1 1                           |                    |
| Debris and equipment removal- general labor                                     | 80 hours           | \$ 15.00                                |   | \$ 1,200.00        |
| Construct bat gate at PTH portal  | 3 lump sum         | \$ 1,500.00                             |   | \$ 4,500.00        |
| Regrading facilities areas (2 ft depth)   | 3 acre             | \$ 613.00                               |   | \$ 1,839.00        |
| Regrading waste dump slopes   | 14850 CY           | \$ 0.60                                 | 111111                                  | \$ 8,910.00        |
| Ripping waste dump tops   | 1 acre             | \$ 246.00                               | 11 111                                  | \$ 246.00          |
| Ripping stockpile and compacted area  | 6.65 acre          | \$ 246.00                               |   | \$ 1,636.00        |
| Ripping access roads- dozer   | 0.5 acre           | \$ 246.00                               |   | \$ 123.00          |
| Regrading access roads- dozer   | 0.5 acre           | \$ 246.00                               |   | \$ 123.00          |
| Removal of water tank at PTH portal (dozer)                                     | 2 hours            | \$ 246.00                               | 11.11                                   | \$ 492.00          |
| Recontour fresh water pond  | 3 hours            | \$ 246.00                               |   | \$ 738.00          |
| Removal of power lines  | 12 hours           | \$ 15.00                                |   | \$ 180.00          |
| Removal of substation (UP&L/Rocky Mtn Power cost quote)                         | 1 lump sum         | \$ 5,000.00                             |   | \$ 5,000.00        |
| Removal culverts  |                    |   | <u> </u>                                | \$ 1,968.00        |
|   | 8 hours            |   | 2.2.2                                   |                    |
| Remove fresh water pond liner   | 3 hours            | \$ 15.00                                |   | \$ 45.00           |
| Remove reagent trailer fence Trackhoe for access road reduction                 | 3 hours<br>4 hours | \$ 15.00<br>\$ 246.00                   |   | \$ 45.00           |
| Trecentor access road reduction   | 4 Hours            | 3 240.00                                |   | 3 304.00           |
| FEL to load replacement soil  | 40 hours           | \$ 180.00                               |   | \$ 7,200.00        |
| Truck transport soil to mill site   | 293 trips          | \$ 55.00                                |   | \$ 16,115.00       |
| Topsoil redistribution- dozer   | 7322 CY            | \$ 0.58                                 |   | \$ 4,247.00        |
| Composited manure (10 to/acre)  | 7609 acre          | \$ 300.00                               |   | \$ 2,283.00        |
| Broadcast seeding   | 13.81 acres        | \$ 240.00                               | 22                                      | \$ 3,314.00        |
| General site cleanup and trash removal  | 12.81 acres        | \$ 50.00                                | 11 11                                   | \$ 641.00          |
|   | AZ.OL BUICS        | 30.00                                   |   |                    |
| Equipment mobilization  | 4 equip            | \$ 2,000.00                             |   | \$ 8,000.00        |
| Reclamation supervision (10% of surety estimate)                                |                    | 11 15                                   | 11                                      | \$ 11,515.00       |
|   | Subtotal           | 1 |   | \$126,671.00       |
| 10% Contingency   |                    |   |   | \$ 12,667.00       |
|   | Subtotal           |   | - ::                                    | \$139,338.00       |
| Escalate for 5 years at 2.59% per year  |                    |   |   | \$ 19,003.00       |
|   | Total              |   |   | \$158,341.00       |
| Rounded surety amount in year 2009 \$   |                    |   |   | \$158,300.00       |
| Average cost per disturbed acre=  |                    | \$ 11,466.00                            |   | 4 27 . 27 . 27 . 7 |